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SUBJECT: AROUND THE WORLD IN 80 MINUTES: PM GYURCSANY'S FOREIGN POLICY TOUR D'HORIZON

REF: A) BUDAPEST 343 B) BUDAPEST 350 C) 06 BUDAPEST

2505 D) BUDAPEST 84

Classified By: P/E COUNSELOR ERIC V. GAUDIOSI; REASONS 1.4 (B) AND (D)

¶11. (C) Summary: Prime Minister Gyurcsany addressed the diplomatic corps March 7 in his first "annual review" of Hungarian foreign policy. The event follows closely on the heels of a comprehensive but criticized study by the MFA (ref a), and sought to link constructive engagement abroad to continued reform at home. What was good in the speech - EU enlargement, Balkan integration (ref b), responsible neighborhood policies, and commitment to the GWOT - was not new; what was new - ambiguous references to Russia and comments describing "Hungary as our homeland, Europe as our context, and America as our ally" - were not good. Gyurcsany also announced the long-expected formation of a National Foreign and Security Policy Council, nominating highly-regarded international law specialist as its chair (ref c) but providing no further details regarding its remit.
End Summary.

¶12. (C) PM Gyurcsany met with resident ambassadors at the Hungarian Academy of Sciences in Budapest March 7 to outline GoH foreign policy priorities. His remarks follow extensive - though reportedly uncoordinated - work by the MFA and outside experts to map out a foreign policy strategy. In her introductory remarks, Foreign Minister Goncz looked back to the strong national consensus regarding NATO and EU accession, highlighting the need to maintain that bipartisan spirit in facing new challenges.

THE GLOBAL CONTEXT

¶13. (C) Gyurcsany framed his tour d'horizon in the context of Hungary's "progress on the road of transformation." He looked back on the end of the Cold War, noting the recent decline in international consensus and commenting that "not even a global superpower can act alone." In this new environment, he argued that the fundamental issue is not a "war of civilizations" but a conflict between those who use violence to achieve extremist ends and those who represent democratic values. Hungary's deployment to Afghanistan, he explained, defends both its values and its interests by combatting international terrorism.

HIGH NOTES ON THE EU ...

¶14. (C) Gyurcsany underscored Hungary's commitment to the European Union while emphasizing the importance of maintaining Hungary's "national character and interests." He strongly endorsed renewed efforts to resolve "the burden" of the constitution by 2009. He also called for Croatia's admission "as soon as possible," followed by "the rest of the Western Balkans as quickly as possible." He specifically

highlighted the importance of Serbia, calling for the EU to play "a leading role" on Kosovo and praising the Ahtisaari plan as "a good start." He called for a special visa regime for the Balkans, ironically suggesting an EU "Road Map" for the region. In an unexpected point, he signalled strong support for its EU aspirations to "recognize a secular democracy" as "we demand a commitment to European cultural values and moderate behavior." (Note: This is a point that center-right commentator Anita Orban has been pressing on GoH contacts. End Note.)

AND LOW BLOWS ON DOMESTIC POLITICS

¶15. (C) Linking activism abroad to reform in Hungary, Gyurcsany cast the government's reform program as the only way to defeat "the forces of xenophobia and radical nationalism." To ignore reforms, he continued, would be "to take a dead-end street," warning that "only Hungary will suffer if the government and opposition fight." FIDESZ spokesmen immediately responded that a truly national foreign policy "would have involved consultation with all parties," describing Gyurcsany's presentation as "typical of the government's Orban-phobia."

THE NEIGHBORHOOD

¶16. (C) Turning to the question of ethnic Hungarians abroad, Gyurcsany reiterated his commitment to working with neighboring governments, noting "irreversible progress" in the region. He looked forward to ethnic Hungarians "defining their interests in their own countries," free from "imported political division from Hungary."

NO THREAT FROM MOSCOW

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¶17. (C) Referring to a "self-confident" and "decisive" Moscow, Gyurcsany emphasized that Russia "is not a threat to Europe." He called for continued engagement to develop mutual trust, noting that the blame for recent tensions "is not single-sided. He saw no conflict between Hungary's support for a common EU energy policy and the legitimacy of "taking an individual path," committing to "comply with the EU's policy once it is in place." He concluded that Europe represents "an irreplaceable consumer" for Russia, describing the relationship as "mutual dependence."

A NATIONAL FOREIGN AND SECURITY POLICY COUNCIL

¶18. (C) In closing, Gyurcsany announced the formation of a "National Foreign and Security Policy Council," introducing Laszlo Valki as its director. (Note: Valki is a highly-regarded legal expert now teaching at a Budapest university. He met last week with visiting EUR DAS Di Carlo to discuss Kosovo status. End Note.) The PM did not, however, provide any further details regarding the Council's composition, authorities, or priorities.

¶19. (C) Comment: Focus on foreign policy is both rare and welcome. That said, the PM's performance did little to address concerns regarding energy security. Gyurcsany's remarks are consistent with his comments over the past several months. In addition to the PM's public comments, we are seeing a convergence of opinion among our GOH contacts. The Ministry of Economy, for example, briefly signaled a preference for true diversification in the energy sector (ref d) but has since reverted to the PM's pro-Russia position. One explanation for Gyurcsany's increasingly frequent rhetoric of &mutual dependence8 may be an effort to secure for Hungary the 10bcm Blue Stream-linked gas storage facility. (Gazprom also has offered the facility to Serbia.) Whatever the PM's rationale - or rationalization - in the most charitable analysis his approach seems to rest on two dangerous misconceptions: that Russia and Europe are "codependent;" and that Hungary can somehow secure a

privileged position vis-a-vis Moscow. We will be meeting with Dr. Valki as soon as possible to engage him on this issue.
End Comment.

FOLEY